

Message Text

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PAGE 01 EC BRU 01446 151433Z
ACTION EUR-12

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E.O. 11652: N/A
TAGS: ELAB, EIND, EINV
SUBJECT: EUROPEAN LABOR PROTESTS BADGER CASE

REFS: A) BURSSSELS 282; B) BRUSSELS 386; C) THE HAGUE 325;
D) STATE 9787; E) GENEVA 1011

1. SUMMARY: THE CASE OF THE BADGER CO. (BELGIUM), WHICH
SHUT DOWN ITS ANTWERP OPERATIONS IN JANUARY OWING ITS
EMPLOYEES APPROXIMATELY \$2.5 MILLION IN UNPAID TERMINATION
BENEFITS, MAY BECOME A LABOR "CAUSE CELEBRE" UNLESS
RESOLVED SOON. END SUMMARY.

2. GERARD FONTENEAU, SECRETARY FOR EUROPE OF THE WORLD
CONFEDERATION OF LABOR (WCL), CALLED ON THE USEC LABOR
ATTACHE FEB. 11 TO MAKE AN APPEAL IN BEHALF OF 250
BELGIAN EMPLOYEES WHO WERE NOT PAID THEIR LEGALLY
REQUIRED TERMINATION BENEFITS WHEN THEIR COMPANY,
BADGER (BELGIUM), PART OF A U.S.-BASED MULTINATIONAL,
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PAGE 02 EC BRU 01446 151433Z

SHUT DOWN LAST MONTH. FONTENEAU WARNED THAT, IF THE
EMPLOYEES ARE NOT PAID WHAT IS DUE THEM, THE BADGER
CASE WOULD BE PURSUED ON THE NATIONAL, EUROPEAN, AND
WORLD LEVELS AS A "TEST CASE" AND AN EXAMPLE OF HOW
MULTINATIONALS TREAT THEIR EMPLOYEES UNDER CURRENT
NATIONAL AND INTERNATIONAL LAW.

3. FONTENEAU WAS ACCOMPANIED BY VICTOR NAVEAU, A LEADER OF THE CHRISTIAN WHITE-COLLAR WORKERS UNION OF BELGIUM. TOGETHER, THEY REVIEWED THE FACTS, WHICH INCLUDED THOSE ALREADY REPORTED IN REFTELS A, B, C, AND EM THEY ALSO MADE THESE POINTS ABOUT THE CASE:

A. ALTHOUGH BADGER CLAIMS THAT NEITHER BADGER NOR RAYTHEON "WITHDREW ANY DIVIDENDS FROM BADGER ANTWERP" (AS QUOTED IN REF D FOR EXAMPLE), THE UNION CLAIMS TO HAVE DOCUMENTARY EVIDENCE THAT BADGER DID TRANSFER SUBSTANTIAL FUNDS OUT OF BELGIUM SHORTLY BEFORE CLOSING DOWN. SEEKING RELIEF FROM THE COURTS ON THIS BASIS, HOWEVER, WOULD TAKE TOO MUCH TIME AND MONEY, THEY SAID.

B. THE ALTERNATIVE IS TO INTENSIFY THEIR CAMPAIGN TO PERSUADE BADGER TO CHANGE ITS MIND. THE BASIC FACTS, SAID FONTENEAU, ADD UP TO AN INJUSTICE THAT IS BOUND TO GAIN WIDE SYMPATHY, AND NOT JUST FROM UNIONS. FONTENEAU CLAIMS THAT THE BELGIAN SECRETARY OF STATE FOR REGIONAL ECONOMIC DEVELOPMENT HAS ALREADY CONTACTED COUNTERPARTS IN GREAT BRITAIN AND THE NETHERLANDS, AND HAS GOTTEN THEIR SUPPORT FOR PRESSURES ON BADGER AFFILIATES IN THOSE TWO COUNTRIES.

C. FONTENEAU IS PUTTING TOGETHER A DOSSIER ON MULTINATIONAL LABOR "ABUSES" FOR THE WCL'S WORLD CONGRESS TO BE HELD IN BELGIUM IN OCTOBER. AMONG THE 20 CASES HE HAS COLLECTED SO FAR OF MULTINATIONALS CLOSING DOWN AND LEAVING THEIR EMPLOYEES WITH UNPAID CLAIMS, THIS IS ONE OF THE MORE DRAMATIC, ACCORDING TO FONTENEAU.

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PAGE 03 EC BRU 01446 151433Z

4. COMMENT: THIS CASE HAS ALL THE EARMARKS OF BECOMING A "CAUSE CELEBRE" IN LABOR CIRCLES. APART FROM THE EFFECT ON BADGER'S REMAINING BUSINESS OPERATIONS IN EUROPE, THE CAMPAIGN IS BOUND TO BUILD PRESSURE FOR TOUGHER LEGISLATION ON MULTINATIONALS, AS EMBASSY BRUSSELS HAS POINTED OUT. IN HIS SPEECH TO THE EUROPEAN PARLIAMENT ON FEB. 8, ROY JENKINS, PRESIDENT OF THE EUROPEAN COMMISSION, IN LISTING "SPECIFIC EXAMPLES OF OUR DETAILED WORK, TOUCHING THE LIVES OF ALL OUR CITIZENS," SAID THAT THE COMMISSION WOULD BE PREPARING A PROPOSAL "TO SAFEGUARD THE INTERESTS OF EMPLOYEES WHOSE FIRMS GO BANKRUPT." HINTON

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